

Enclosure A.

Extract from Sir Mirza M. Ismail's speech before the Federal Structure Committee on 25th September 1931.

There is, however, one matter in which action cannot be postponed any longer on any consideration of mere expediency. I refer to the contributions from some Indian States under the name of "tributes", an expression for which has since been substituted a less offensive term. The change of name, however, only conceals, while it does not remove, a grave injustice done to the people of the States. It is recognised on all hands that the contributions are not only burdensome, but inconsistent with the status of equality of Units which a Federation presupposes. May I read out to you a sentence or two from the Memorandum of the Government of India on this subject? They say:—

"It has further to be remarked that the objections of States to continuance of these payments would not be based solely on the plea of their being supplementary to the ordinary scale of contributions by Federal Units. There is the equally cogent plea that these payments denote relations of a feudal character, and that the States will admit no such relationship between themselves and the Federal Government."

This being the accepted position, I am surprised that a proposal should have been put forward that the contributions should be continued until such a time as the condition of Federal finance should permit of their abolition. I should be failing in my duty if I did not express my view that such a proposal would cause the people of the States serious misgiving. They would have no faith in a constitution which made the perpetration of an admitted iniquity an element of its financial system. I would, therefore, plead for the immediate abolition of the contributions. They should have disappeared long ago. Under present conditions they are an anachronism. In future conditions they will be a contradiction.

Enclosure B.

Extract from Sir Mirza M. Ismail's speech before the Federal Structure Committee on 14th October 1931.

It will be recalled that, in this Committee, and subsequently in the Finance Sub-Committee, I made it quite clear that Mysore can be satisfied with nothing less than the immediate disappearance of this tribute to give it the old name, which more correctly defines the real position than the name of "cash payments" which has recently been substituted. I naturally speak more particularly for Mysore, and I need not remind the Committee that no other State has been a more steadfast and consistent supporter of the Federal plan. I was reluctant to suggest any reservation or dissent when the draft report was before us, since we achieved such a large measure of unanimity. After all, the unfair incidence of these tributes was recognised in the Report, though, unfortunately, the Sub-Committee did not propose to give full effect at once to such recognition.

It is now my duty to appeal to this Committee to carry to its logical conclusion the unconditional recognition in the Report that there can be no place for contributions of a feudal nature under the Federation. It seems to me that, neither on grounds of justice nor logic, can it be maintained that the Report is right in taking the probability of the Federal deficit at the outset as a reason for not recommending immediate abolition. Equity has been long delayed; but is it to be further delayed for years because it is expected that the money will be needed?

Enclosure C.

Extract from the Dewan's Address to the Mysore Representative Assembly, Budget Session, 6th June 1932.

Federal Finance.

* * * * *

The financial prospects of the State under a scheme of Federation are a subject of anxious thought to us. We have all along accepted the position that Mysore, in common with other States, should be prepared to shoulder whatever burdens the new status might legitimately call for. But we cannot be expected to reconcile ourselves to the continuance of obligations of an obsolete character, wholly inconsistent with that status.